SEBI, 1893 companies came out with initial public offerings during the years 1993-94, 1994-95 and 1997-98. Out of these 41 companies were not traceable. The details of these companies have been forwarded by SEBI to Department of Company Affairs for appropriate action.

Irregularities in Green Park branch of State Bank of Indore

2560. SHRI GAYA SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that serious irregularities were brought to light in regular audit conducted in Green Park, New Delhi Branch of State Bank of Indore in November and December, 1995; and

(b) if so, the details thereof and the action taken, if any, against the officials responsible for that?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANARTHA-NAN): (a) and (b) State Bank of Indore has reported that internal audit of the Green Park, New Delhi branch of the bank was carried out on 11.3.96 covering the period from 2.11.1994 to 11.3.1996. Irregularities pointed out in :the audit were • taken up for rectification. The disciplinary authority has imposed penalty on one officer for lapses in sanctioning conduct of advances.

Financial loss to State Bank of Indore

2561. SHRI GAYA SINGH: Will the Minister of FINANCE be pleased to. state:

(a) whether it is a fact that State Bank of Indore has sustained financial loss of Rs. 71 lakh by way of penal interest recovered by RBI due to negligence of the officers posted in Janak Puri, New Delhi Branch by preparing wrong vouchers and currency chest slips on 6th August, 1991 and 27th March, 1992; and

(b) if so, the details thereof and what action has been taken against responsible official?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANARTHA-NAN): (a) and (b) The State Bank of Indore has reported that there was delay in reporting and crediting of currency chest transactions in the years, 1991 and 1992 by the bank's Janakpuri Branch, New Delhi, to the Reserve Bank of India (RBI). As per the extant instructions, the bank had to pay a penal interest of Rs. 71 lakhs. The State Bank of Indore has further reported that since the funds which were not remitted by credit to RBI remained with the bank during the relevant period and the bank deployed the funds, the amount of penal interest remitted does not necessarily amount to losses. Departmental action initiated against two officers and one Head Cashier for delay culminated in imposition of penalty on them.

Probe into smuggling of goods

2562. SHRIMATI KAMLA SINHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that some time in June, 1998 a huge consignment of goods was smuggled through the Wagah Attari railway check post allegedly with the complicity of Indian officials of the customs and -DRI and that investigations into the smuggling has been delayed because of indecision by the authorities concerned;

(b) if so, what are the details thereof; and

(c) what is the present state of the investigation and when the probe is likely to be completed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANARTHA-NAN): (a) and (b) A consignment ! consisting of 55.4 Mts. of poppy seeds, Munacca, Badam Giri, Pista and textile material collectively valued at Rs. ! 69,98,060/- was seized by the officers of ! DRI Regional Unit, Amritsar at Attari Railway Station on 20.6.1998, on the basis of a specific information. This consignment which had arrived by Samjhauta Express on 18.6.1998 from Pakistan was intercepted by the Officers of DRI, Regional Unit, Amritsar on 19.6.1998, after these had already been cleared from the Customs areas, An receipt of certain complaints about the involvement of some Customs officers in allowing the clearance of these goods without proper duty & penal action, the investigations have been got conducted by the DRI/Dircctorate of Vigilance under CBEC. These investigations have revealed some primafacie complicity of some Customs staff posted at Attari Railway Station. One Assistant Commissioner of Customs and 9 officers of the rank of Superintendents & Inspectors have been already placed under suspension for their suspected complicity in the smuggling of said goods, (c) Considering the various complaints alleging involvement of persons other than Customs officers, CBEC has made a request to the C.B.I, to take up the case for further investigations.

Downgrading of Indian Financial Institutions

2563. PROF. A. LAKSHMISAGAR:
SHRIMATI KAMLA SINHA:

Will the Minister of FINANCE be pleased to ,state:

(a) whether it is a fact that the Standard and Poors, a New York based Rating agency has downgraded some Indian financial Institutions;

(b) if so, what are the details thereof;

(c) what are the reasons for downgrading of these Indian financial Institutions stating the implications involved; and

(d) what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHA-NAN): (a) to (c) In its press release of November 26, 1998, S & P has affirmed the long term foreign currency rating of IDBI, ICICI and Bank of Baroda at "BB" which is the same as India's sovereign rating. S&P has, however, changed the rating outlook for IDBI, ICICI and Bank of Baroda from stable to negative. S&P in its press release has mentioned that the outlook change reflects S&P concerns which inter alia include continued weakness in a number of key sectors, reduction in asset quality and increase in NPAs. It has expressed the combination of these factors will moderate the financial flexibility of Indian banks and financial institutions at a time when they are seeking to comply with more stringent capital and provisioning requirements recently announced by RBI. IDBI has, however, reported that this change in rating outlook has had only a marginal impact on secondary market trading levels.

(d) Does not arise.

Statement of Managing Director of World Economic Forum

2564. SHRI SANATAN BISI:
SHRI P. PRABHAKAR REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether government's attention has been drawn to the statement of the Managing Director of the World Economic Forum (WEF) made at 1998 Indian